7: Gt. Brit., Colonial Office G-8 (1949-50) 1951 MM1 Aden MM1

439 Control was relaxed on the local sale and distribution of margarine, cooking fats, butter and cheese, as supplies were fairly plentiful. Pepper was also decontrolled.

435 439 Rice, flour and sugar have continued to be imported by Government, and distribution and prices were strictly controlled until July, 1950, when rice was decontrolled, as supplies seemed adequate. There was a small decrease in the price of rice at the beginning of 1950, but prices have risen again. It had been hoped to remove all restrictions on the import of flour, but it was decided on the recommendation of the Trade Advisory Board that Government should continue to import flour until the end of the Australian wheat year; the price was kept down by adjustments from the equalisation fund. The price of sugar rose 43 per cent above that of 1949.

The control of petrol was completely relaxed in June, 1950, but owing to devaluation the price of petroleum products has risen. Iron and steel tubes, pipes and fittings still remain subject to an allocation system, but all other iron and steel goods have been freed from control. Supplies of cement appear to be adequate and, at the request of the Chamber of Commerce, sources of supply other than the United Kingdom have been included in the programme for 1951.

439 Trade with Japan and Western Germany was resumed in 1949. The export position has caused some dissatisfaction owing to restrictions by Eritrea and Somalia on the importation of goods from Aden.

It was decided to limit the countries to which hides and skins could be exported in order to defeat the practice of sending these goods to certain territories, whence they were re-exported to hard currency areas, without earning any hard currency for the sterling area.

457 435 The exchange control position has greatly altered since devaluation. The new dollar value of sterling is below the local black market rate and below the free market rate which operated in Ethiopia. As a result merchants are surrendering their dollars freely to control and the Colony's dollar earnings have increased substantially.

During the summer of 1949 an attempt to evade control on a large scale was discovered and as a result illicit transactions have been reduced.

It has been possible to release dollars to cover adequately the major part of Aden's essential requirements from the dollar area, and any dissatisfaction which merchants may feel from the refusal to allocate a percentage of the dollars earned by them as an incentive should be more than balanced by the overall advantages which accrue to them as members of the sterling area.

441 647 A Trade Advisory Board was set up early in 1950 consisting of four local merchants, with the Controller of Civil Supplies as Chairman, to review any trade or economic matter which is causing friction; and to consider all matters concerning the trade of Aden as an entrepôt port. It is also intended that the Board should advise on the most suitable means of giving effect to the operation of controls.

?: Gt. Brit., Colonial Office G-3 (1949-50) 1951 MM1 Aden MM1

206 and cabling scheme are installed. Plans to this end are now nearing completion.

205 The following are statistics of posts, telephones and wireless receiving licences :

206

	1949	1950
Number of letters	4,130,000	4,312,000
Number of telephones	1,217	1,338
Number of wireless receiving licences ..	894	904

CIVIL AVIATION

509 Considerable development has taken place in the last year as a result of the British Overseas Airways Corporation's decision to base their Red Sea area services on Aden, and to form a subsidiary organisation under the name of Aden Airways. Aden is now the air capital of the region and regular and reliable services are available to all the surrounding territories. Special pilgrim services are run to Mecca, including direct flights from Mukalla to Jedda.

As a result of agreement reached with the Royal Air Force, a civil [157] airport is being constructed within the limits of the Royal Air Force aerodrome at Khormaksar. The Colony is indebted to His Majesty's Government for an allocation of £56,000 to defray the capital cost of this scheme, the grant being made under the Colonial Development and Welfare Act.

The opening of the Civil Airport has necessitated the appointment of an Airport Manager and staff, and the department is now able to provide a dawn to dusk flight information service for enquirers in Aden.

SHIPPING

505 The number of vessels, exclusive of country craft, which entered the port of Aden during 1949 was 3,901 with an aggregate tonnage of 15,751,064 and in 1950 the number was 4,283 with a tonnage of 17,984,884.

The number of country craft which entered the port during 1949 was 2,199 with an aggregate tonnage of 154,854 and in 1950 1,643 with a tonnage of 128,201.

The following table shows the number, nationality and tonnage of the vessels which entered the port during the years 1949 and 1950 :

1949

Nationality	*Nos.*	*Tonnage*
British	2,244	9,906,420
French	72	372,254
Italian	328	635,014
American	75	328,377
Others	1,182	4,508,999
	3,901	15,751,064